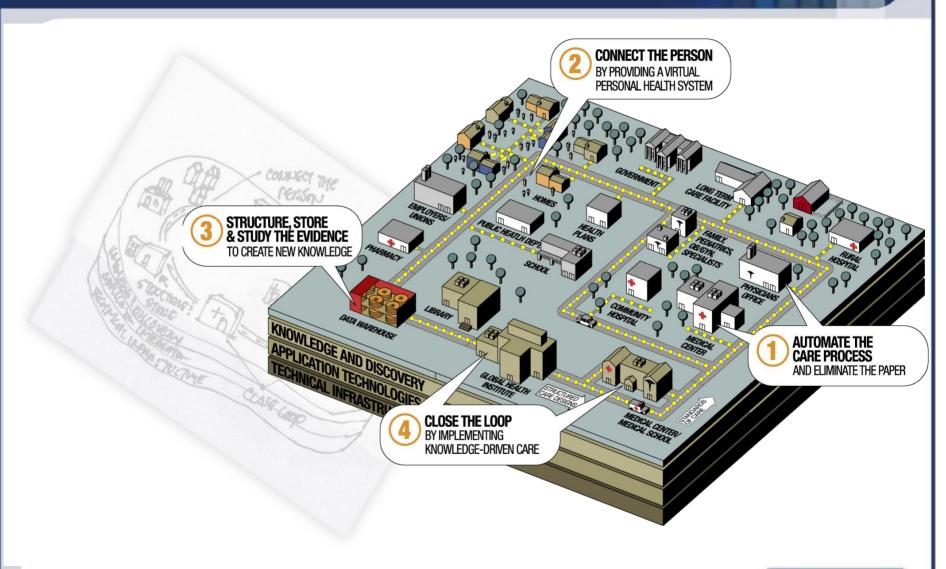


State of Missouri HIT Task Force

June 29, 2006



Community Health Model





Company Highlights

- Founded in 1979; founders still actively leading company
- Largest company focused on clinical information and transformational solutions for healthcare
 - Over 7,000 associates world-wide
 - 1,600 member services organization; 2,000 person Intellectual Property (IP) organization
 - ♦ 2005 revenues of ~ 1.1 billion
- History of organic growth through investment in IP
 - ♦ 10-year revenue CAGR of 20% driven primarily by organic growth
 - \$1.5 billion revenue backlog, nearly doubled in last three years
 - ♦ A single, comprehensive healthcare architecture (Cerner Millennium)
 - Over 6,500 live solutions at more than 1,700 client facilities
 - Includes more than 5,100 live Millennium solutions at nearly 950 client facilities



Shared Objectives

- Jointly create a vision for Medicaid and State of Missouri healthcare system
- Deploy a platform to improve outcomes and reduce medical error, variance, waste, delay, and friction throughout the healthcare system
- Leverage Missouri's public health capabilities as part of an outreach effort to improve overall population health
- Connect "all players"
 - Facilitate data sharing across the continuum of care
 - Eliminate organizational, geographic and technical boundaries
- Create a detailed ROI analysis that substantiates the benefit for all constituents
- Establish Missouri the demonstration site for the rest of the country to follow



Three Types Of Electronic Health Records



Provider Electronic Health/Medical Record (EHR or EMR)

- Legal medical record owned and used by providers to manage their own patient population
- Used across multiple venues of care within an enterprise for multiple conditions

Community Health Record (CHR)

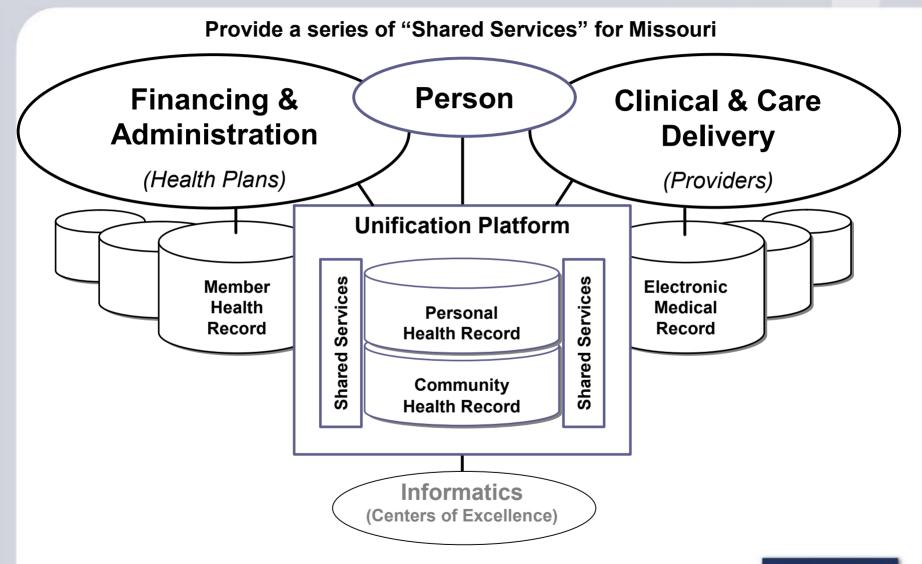
- "Community owned" record that serves a "politically viable" geography, region, or health system network
- Crosses traditional provider system's boundaries
- Derives summary information from multiple sources
- Ties into a national health infrastructure
- Enables bio-health, public health, outcomes management
- Supports pay-for-performance

Personal Health Record (PHR)

- Personally-managed health data
- Populated with data from CHRs and EMRs
- ♦ Wellness programs/condition mgmt.



Merging Of Two Worlds



CHR – Key Features / Benefits

- Provides a quick summary of key activity information
- Patient-centered record of aggregated health data
 - ♦ Financial & administrative
 - Clinical
- Enables both aggregated and "shared only" views of the information
- Web-based, easy to deploy and easy to learn
- Contains extendable services, e.g. in-box, eRx, referral mgmt, etc.
- Interoperates with existing applications/services
- Stepping-stone towards a full EMR



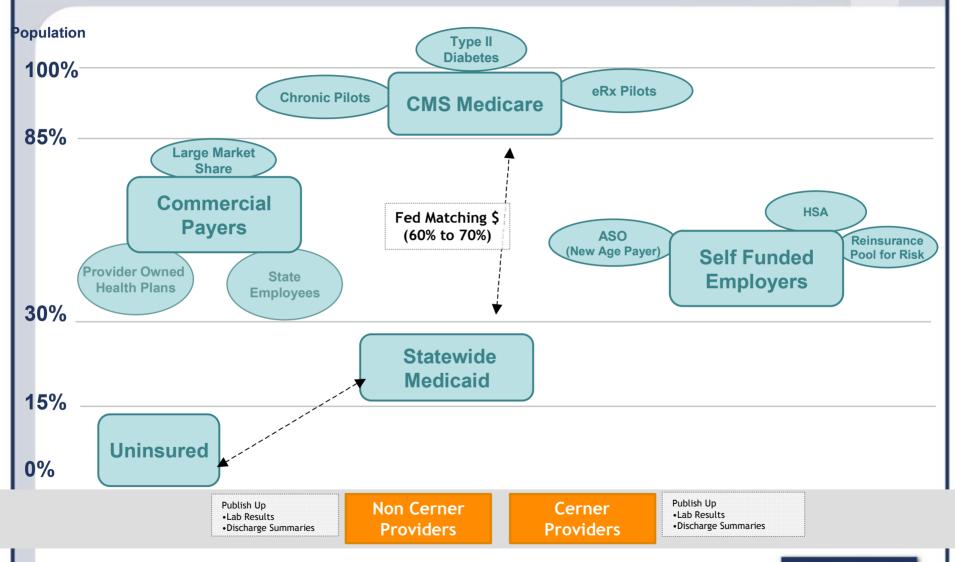
Sampling Of Shared Services

- Community Health Record (CHR)
 - ♦ EMPI
 - ♦ Lightweight documentation
- Secure messaging and in-box
- Electronic prescribing
- Front office management
 - Benefit eligibility and claims management
 - Referral management
 - Scheduling
- Consumer connectivity
 - Personal health record
 - Chronic condition management
- Analytics and outcomes (data warehouse)
- Public health
 - ♦ Bio-surveillance
 - Disaster preparedness





Strategy For Adding Populations





Tennessee – Early Adopter

Population

- Additional members contemplated

BCBST commercial lives (fully insured) - 700,000

Cigna commercial lives (fully insured) - 500,000

Medicare lives - 870,00

Services

- Phase 1 "Core" community health record (CHR), EMPI, and lightweight documentation (EPSDT)
- ePrescribing pilots live, broad physician roll-out started May, 2006

Current progress

- ♦ All 1,100,000 TennCare lives with a CHR
- Approximately 4,200 unique users (600 plus sites)
- Adding ~ 100 new users a week



Healthe Mid-America Timeline

- Objective: Create an independent "trusted agent" to facilitate electronic exchange of health information in the Kansas City region
 - Improve quality and cost of care through enhanced coordination
 - Provide lightweight connectivity to Kansas City physicians free of charge
- Summer 2005
 - Recruitment of initial sponsoring employer organizations
 - ♦ Initial discussions with hospital CEO's & physician leaders
 - Completion of detailed draft business plan
- **Fall 2005 Healthe Mid-America announced**



Healthe Mid-America Timeline

Winter and Spring 2005-06

- Recruitment of additional sponsoring organizations
- Completion of business plan
 Revised pricing
 Recommendations developed on key issues
- Provider adoption and roll-out planned
- System readiness
- Incorporation of Healthe Mid-America Board members named Interim officers elected



Founding Sponsors





Expected Benefits

■ Improve care coordination and /or reduce clinical waste

- Reduce inpatient admissions due to incomplete data in the ED
- Reduce repeat outpatient visits due to incomplete patient data
- Decrease wasteful diagnostic tests

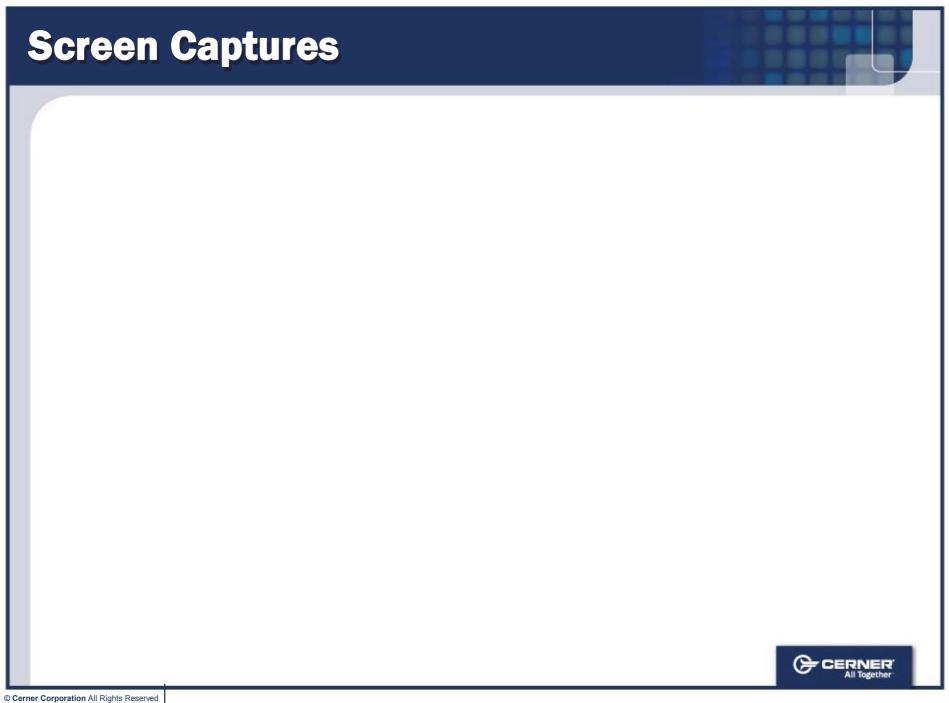
More efficient use of medications

- Reduce adverse drug events (ADEs)
- Increase formulary-driven savings (generics)
- Promote evidence-based prescribing (stepped care & therapeutic switch)
- Reduce medication waste (redundant orders; over-utilization)

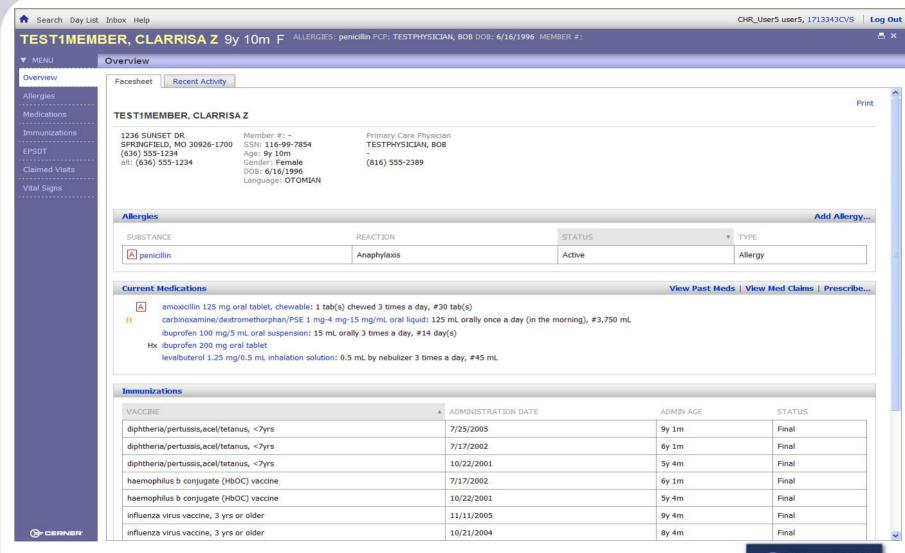
Improve health maintenance compliance

- Increase participation rates for EPSDT and immunizations
- Reduce costs around EPSDT (monitoring and legal liability)
- Reduce fraud and abuse

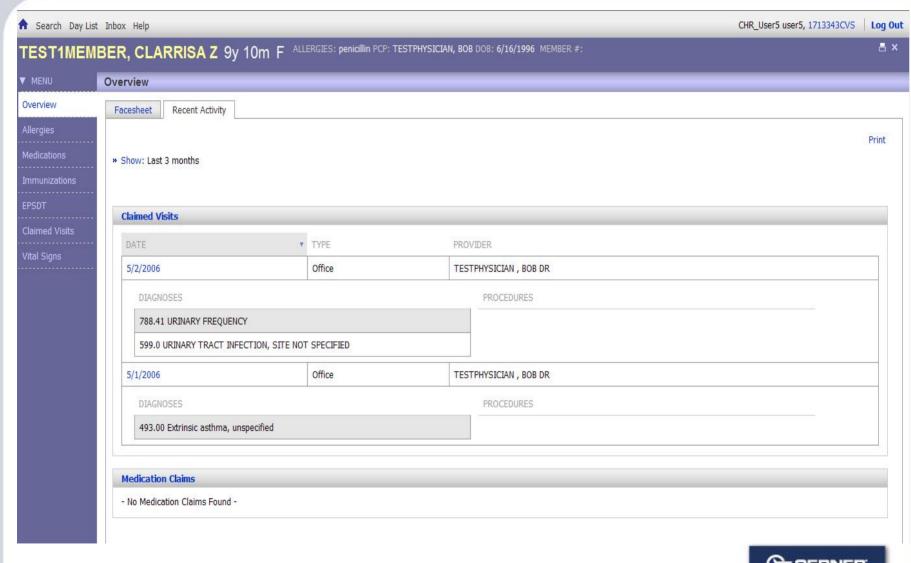




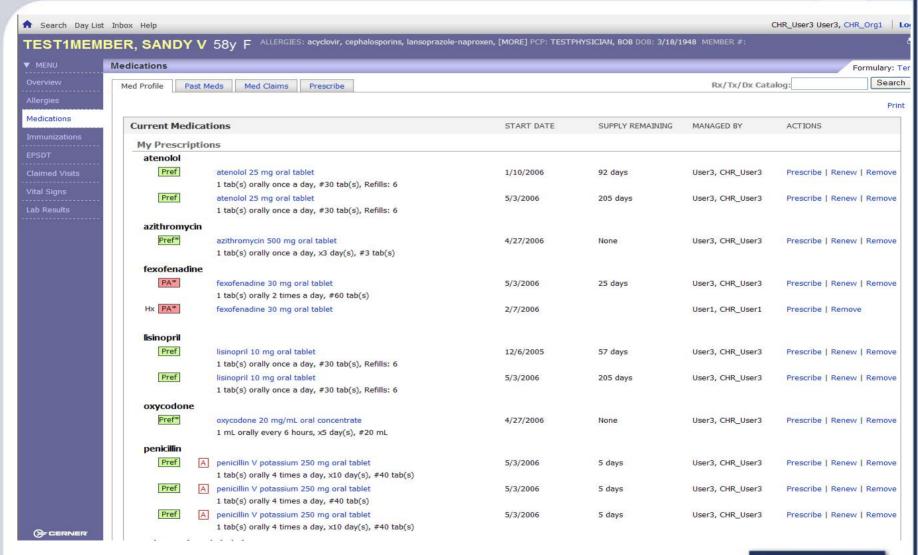
Community Health Record – Face Sheet



CHR – Recent Activity

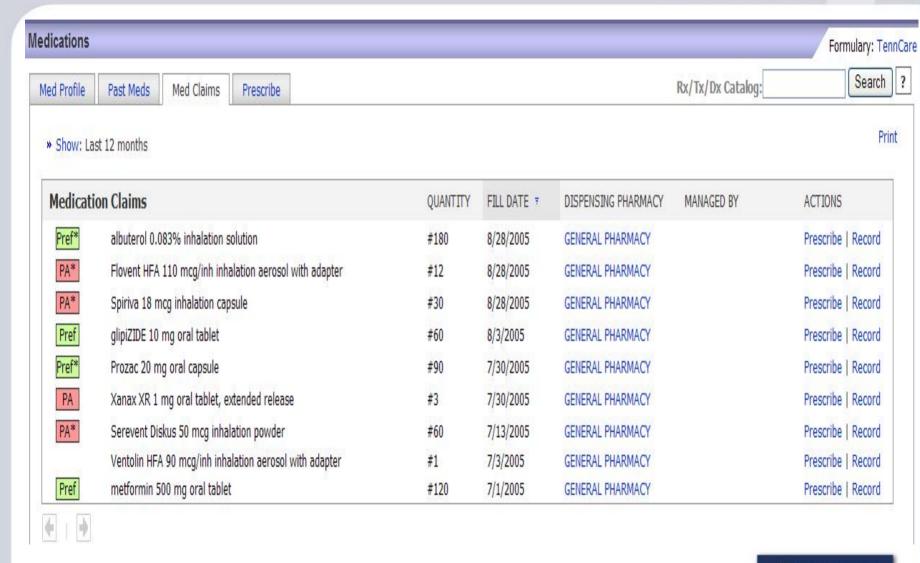


Medication Profile



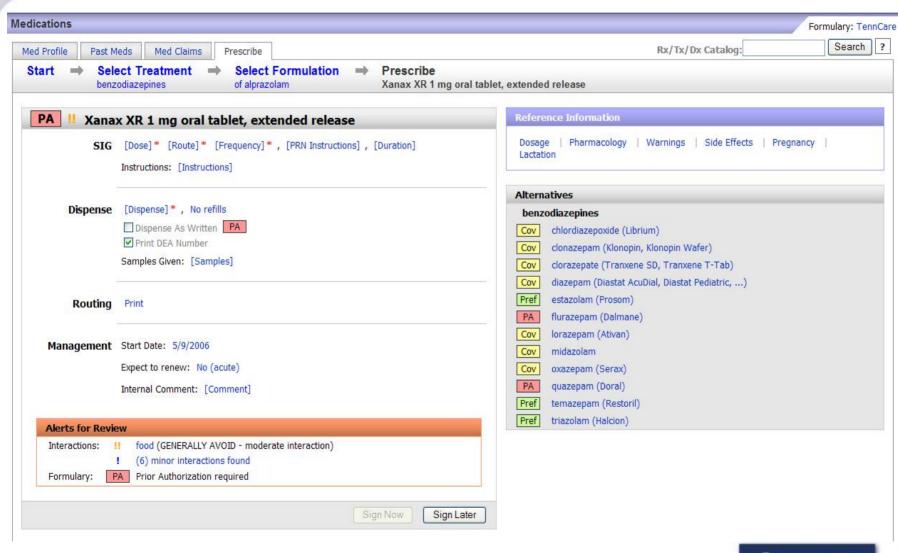


Medication Claims

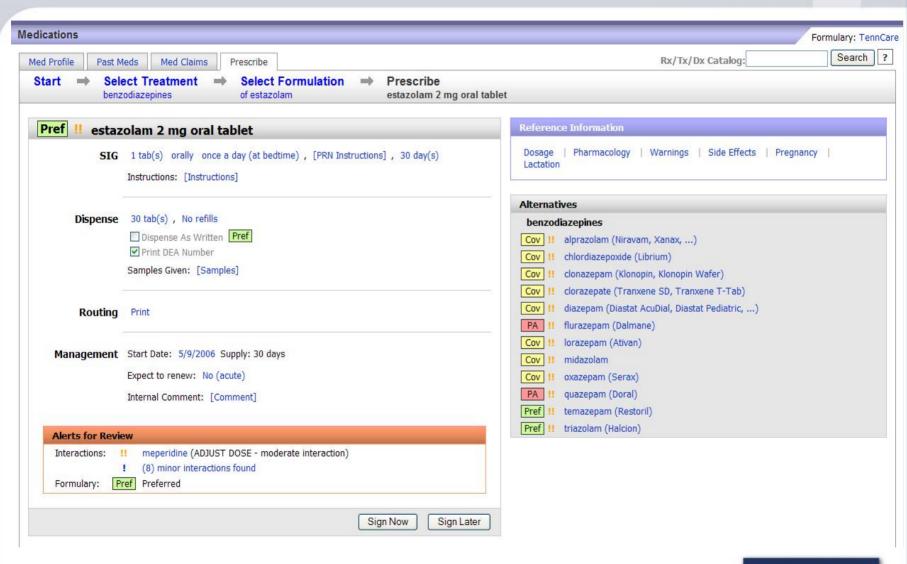




ePrescribing



ePrescribing



ePrescribing

